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**RE: COMMENTS OF MICHAEL KYES ON PROPOSED VIRTUAL NET  
METERING TARIFFS FOR MULTI-FAMILY AFFORDABLE HOUSING.**

**INTRODUCTION**

On January 8<sup>th</sup>, 2009 the PUC held a workshop on the IOU proposed tariffs for Virtual Net Metering (VNM) for Multi-family Affordable Solar Housing (MASH), the tariffs are required by D.08-10-036. The PUC staff requested informal comments.

Generally, the VNM tariff as proposed by the IOUs is stunning. A few years ago the concept VNM would have been unheard of. There are several items that will inhibit the wide adoption of the installation of PV solar in many MASH situations, these include, the manner in which energy credits are distributed among the units, the proposed methodology for true-ups and the monthly fees. Each of these items is easily resolved.

**DISTRIBUTION OF ELECTRIC PRODUCTION BETWEEN INDIVIDUAL  
APARTMENTS**

**PVOPTIMIZE** - ESTIMATION & Modeling Software for the Solar PV Industry

The tariff as proposed allocates generation to individual tenants based on unit size. While this is one approach, it does not take into account physical differences and inherent differences in energy consumption between similar apartments such as location and orientation of windows, whether the apartment has upgraded Energy Star appliances, or if the apartment has been retrofitted with upgraded lighting. Allocation by size may be an appropriate starting place but to really optimize the value of the solar installation a better paradigm needs to be put in place.

D.08-10-036 states;

“Secondly, we clarify that the portion of solar output allocated to individual tenants will be allocated between tenants based on the relative size of a tenant’s unit, *consistent with the manner in which affordable housing rents are established.*”<sup>1</sup> (Emphasis added)

Affordable housing rents are established based on the number of bedrooms and more importantly, in the case of energy, on energy allowances. Specifically, allocations should be able to be made and adjusted on the Energy Efficiency Utility Allowance. Energy efficiency modeling software for calculating energy usage and savings is far more appropriate than simply calculating the energy distribution based on the number of bedrooms. There should also be enough flexibility in the tariff to allow the building owners to adjust the allocations after each true-up cycle based on the physical characteristics of the building. Energy efficiency allowance calculations would meet this goal.

### **TRUE-UPS SHOULD BE ANNUAL**

The proposed tariff recommends that true-ups, a true-up is a bill reconciliation where the tenant pays any outstanding amounts due on the electrical bill or if the bill has outstanding credits those credits are zeroed, occur whenever there is a

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<sup>1</sup> D. 08-10-036 p34.

change of occupancy. State law requires that this event only occur once a year. Given the nature of solar photovoltaic production, this is unfair to the low income tenant. Photovoltaic production is high in the summer, generating bill credits and low in the winter when the summer credits would be normally utilized. The tariff as proposed could result in a tenant who moves in to an apartment in the fall and leaves in the spring to incur hundreds of dollars in electric charges. A tenant who moves in the spring and leaves in the fall would cause the system to lose hundreds of dollars in electrical credits. This is inherently unfair to the winter tenant and makes it impossible for the building owner to determine legitimate utility allowances. Since any amounts due to the utility is paid monthly, there is no risk to the utility, true-ups should occur annually, not on the changing of occupancy.

#### **EXTRA METER/ADMINISTRATIVE FEES CHARGED BY IOUs**

During the workshop, the utilities suggested that in addition to the standard monthly meter charge there would be an extra \$5.00 fee charged to VNM customers. . Based on PG&Es EL-1(Standard Residential-CARE) it appears that the standard minimum monthly meter charge for CARE customers is \$3.80. The purpose of the additional \$5.00 charge is unclear. If this charge was intended to offset the additional costs of implementing the program they might be understandable, however, the program implementation costs are reimbursed by the CSI-MASH program itself. This is a direct cost to the low income low income tenant. Unless some plausible reason for this charge as proposed, any additional charges should be disallowed.

Thank you for your consideration in these matters,

Michael Kyes